



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF OIL & GAS

550 W 7th Avenue, Suite 1100  
Anchorage, Alaska 99501-3560  
Main: 907.269.8800  
Fax: 907.269.8939

September 13, 2021

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Patrick S. Galvin  
Great Bear Pantheon LLC  
3705 Arctic Blvd, Suite 2324  
Anchorage, AK 99503

Re: Talitha Unit Agreement, Drilling Requirements – Satisfied

Dear Mr. Galvin:

On November 12, 2020, the Department of Natural Resources (DNR), Division of Oil and Gas (Division), approved the formation of the Talitha Unit (TAU) and Talitha Unit Agreement (TAUA), appointing Great Bear Pantheon LLC (Great Bear), as unit operator.

In the TAUA, Article 9.9 and Exhibit G – Unit Plan, Section C establish specific drilling requirements of Great Bear, which are as follows:

Article 9.9

The Unit Operator shall post a performance bond in the amount of \$3.3 million no later than one (1) year from the Effective Date of this agreement, or September 15, 2021, whichever is earlier, and must either : (a) drill one well in the Unit by no later than two (2) years from the Effective Date of the Unit Agreement; or (b) drill two wells in the Unit by no later than five (5) years from the Effective Date of the Unit Agreement.

Exhibit G, Section C.

Performance Bond – The Unit Operator shall post a performance bond in the amount of \$3.3 million no later than one (1) year from the Effective Date of this agreement, or September 15, 2021, which is earlier. If the bond is not posted by the deadline, the unit automatically terminates.

Wells – One well must be drilled within two years, or two wells within four years to maintain the unit. If one well is not drilled within two years, then the bottom holes of the two wells must be no less than two miles from each other. Each commitment well must be a new grassroots well. If the well(s) are not drilled as scheduled, the bond will be surrendered in full to the Department of Natural Resources on behalf of the State, and the Unit will be automatically terminated after five (5) years from the Effective Date of this agreement. Each well must be drilled and logged to the base of the Kuparuk Formation or its equivalent, as seen at 10,375' MD in the Pipeline St. 1 well (APO # 50-223-20016). Each well, at a minimum, must be logged with a typical log suite, including gamma ray, resistivity, and porosity logs. For any interval where logging suggests the potential for significant oil production, rotary sidewall or full core samples must be acquired

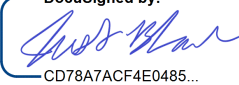
and fluid samples acquired in a flow test or by downhole sampling tool at reservoir conditions.

On June 17, 2021, Great Bear provided a technical review to the Division to discuss the results of its operations to-date.

Based on the Division's analysis, Great Bear has successfully satisfied the above-referenced drilling requirements in the TAUA. Therefore, subject to the Article 9.9 and Exhibit G – Unit Plan, Section C of the TAUA, the Division waives the requirement for Great Bear to post a \$3.3 million performance bond.

If you have questions regarding this decision, contact Ryan King with the Division at 907-269-8799 or via email at [ryan.king@alaska.gov](mailto:ryan.king@alaska.gov).

Sincerely,

DocuSigned by:  
  
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Justin Black  
Deputy Director

An eligible person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d), and may be mailed or delivered to Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.